

EXCLUSION REQUEST NO. 3

a. **Product Name:** Laminated Tin-Free Steel
HTSUS Classification: 7210.50.0000

b. **Technical Description:**

Laminated Tin-Free Steel ("Laminated TFS") is a specialty tin-free steel product that can be used for high-end seafood and gourmet pet foods. Details concerning this use are included in an exclusion request dated September 7, 2001 filed with the ITC by Van Can Company ("Van Can"). A copy of that request is included in **Attachment 3-A**.

This product is specifically defined as follows:

Tin free steel laminated on one or both sides of the surface with a polyester film, consisting of two layers (an amorphous layer and an outer crystal layer), that contains almost none of the following environmental hormones: BADGE (BisPhenol – A Di-glycidyl Ether), BFDGE (BisPhenol – F Di-glycidyl Ether), and BPA (BisPhenol – A).

c. **Basis for Exclusion Request:**

As detailed below, Laminated TFS should be excluded from the scope of any Section 203 import restrictions because (a) Laminated TFS provides particular advantages over other tin-free steel products; (b) Laminated TFS is produced using patented technology and specialized manufacturing equipment and processes; and (c) Laminated TFS is not commercially available from U.S. steel producers.

(a) **Laminated TFS Provides Particular Advantages**

As reflected in Van Can's September 7, 2001 exclusion request in **Attachment 3-A**, Laminated TFS is an alternative to other coated TFS that provides particular advantages over these products. Specifically, the special lamination on Laminated TFS permits a longer shelf life

than the use of TFS with conventional coatings, and also provides a white appearance that can be desirable in marketing certain high-end gourmet foods. Because this Laminated TFS is a more expensive product than conventionally coated TFS products, commercial reasons will likely dictate that its use be limited to canning of high end products that are not as price sensitive as other products. (Although NSC has provided this material to United States canning companies for test purposes, it has not yet exported commercial quantities to the United States.)

(b) *Laminated TFS Is Produced Using Patented Technology And Specialized Equipment And Processes*

The technology needed to produce the precise lamination required for the Laminated TFS is protected by patents in Japan and the United States. The Japanese owner of these patents has licensed the right to produce Laminated TFS to various Japanese producers, including NSC and NKK. The manufacture of Laminated TFS also requires special equipment and processes. Specifically, in addition to the conventional tin free steel coating process, a special film laminating process is required. In NSC's case, this special equipment consists of a film processing line. The most important aspect of the line is the temperature control over the steel sheet. To gain good adhesion of the film, the steel must be hot enough to melt part of the film but not so hot as to change the characteristics of the film or to affect such properties as corrosion resistance and formability (which properties will also depend on what kind of film is used).

Therefore, rigid control over the heating at the heater and the temperature of the rolls at the laminater is necessary.¹

(c) Laminated TFS Is Not Commercially Available From U.S. Steel Producers

Van Can's September 7, 2001 letter included in **Attachment 3-A** discusses its efforts to obtain a Laminated TFS product from U.S. producer Weirton Steel. As indicated in this letter, although Weirton had promised to provide material that Van Can could use for test purposes, Van Can has never received any material from them. Accordingly, Weirton has not shown an ability to supply even test quantities of this product, much less quantities meeting customers' product qualification requirements. NSC is not aware of any United States steel company that can produce Laminated TFS.

d. Names and Locations of Any Producers:

As noted above, the technology needed to produce the precise lamination required for Laminated TFS is protected by patents in Japan and the United States, and the Japanese owner of these patents has licensed the right to produce Laminated TFS to various Japanese producers, including NSC and NKK. NSC is not aware of any manufacturers of Laminated TFS in the United States. As noted, Van Can has indicated that Weirton has not yet supplied even test quantities of this product.

¹ The rolls also work as a "cooler," so that when the film touches the steel sheet, the film is instantly heated and melted part way, thereby adhering to the steel, and the film is also cooled by the rolls so that it does not melt all the way.

e. **Total U.S. Consumption:**

As noted above, although NSC has provided Laminated TFS to United States canning companies for test purposes, it has not yet exported any commercial quantities of this product to the United States. Nor is NSC aware of any U.S. producer of Laminated TFS. Accordingly, NSC is unaware of any U.S. consumption of this product.

NSC has estimated future U.S. consumption based upon [].

	2001	2002	2003	2004	2005
Qty (ST)					
Value US \$					

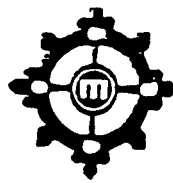
f. **Total U.S. Production:**

As noted, NSC is unaware of any U.S. production of Laminated TFS.

g. **U.S.-Produced Substitute, Total U.S. Production of Substitute, and the Names of Any U.S. Producers of the Substitute:**

As noted above, because Laminated TFS is a more expensive product than conventionally coated TFS products, commercial reasons will likely dictate that its use be limited to canning of high end products that are not as price sensitive as other products. Accordingly, for those applications which require the longer shelf life and desirable appearance provided by Laminated TFS, there is no substitute product produced in the United States.

Attachment 3-A



September 7, 2001

The Honorable Donna R. Koehnke
Secretary
International Trade Commission
400 E. Street, S.W., Room 112
Washington, D.C. 20436

Public Document

Re: Section 201 Investigation on Carbon and Alloy Steel Flat Products

Dear Secretary Koehnke:

This letter is filed on behalf of Van Can Company ("Van Can"), a manufacturer of steel cans located in San Diego, California, to request that the International Trade Commission exclude certain laminated tin free steel ("TFS") from the scope of the above investigation or, alternatively, from any imposed remedies (if the Commission makes an affirmative "injury" determination in this investigation). The specific product for which Van Can seeks this determination is defined as follows:

Tin free steel laminated on one or both sides of the surface with a polyester film, consisting of two layers (an amorphous layer and an outer crystal layer), that contains almost none of the following environmental hormones: BADGE (BisPhenol - A Di-glycidyl Ether), BFDGE (BisPhenol - F Di-glycidyl Ether), and BPA (BisPhenol - A).

Van Can has been manufacturing human and pet food cans at production facilities currently located in San Diego, California for twenty-five years. Although Van Can purchases the majority of its tin mill product requirements from domestic steel mills, Van Can also imports some of these products.

Last year Van Can tested specialized laminated TFS, produced by a Japan steel company that offers a much longer shelf life than conventionally coated TFS. Van Can is interested in purchasing this laminated TFS for specialized usage in certain cans for high-end seafoods and gourmet pet food. This laminated TFS is a much more expensive product than conventionally coated TFS, so that its applications must, out of commercial necessity, be limited to the canning of these few high-end products that are not as sensitive to price. In addition to higher anti-corrosive properties, laminated TFS features an attractive white appearance that is desirable in marketing gourmet foods. The laminated TFS that would be used in these applications represents less than five percent of Van Can's annual volume of purchases of tin mill products.

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This laminated TFS product is not available from domestic mills and Van Can understands that they do not have the technology or equipment to produce it. Van Can further understands that the technology is protected by patents in Japan and in the United States. The Japanese owner of these patents has licensed the rights to produce laminated TFS to various Japanese producers. Moreover, Van Can understands that the equipment required to further process TFS into laminated TFS is complex and expensive. The TFS undergoes additional processing on a film laminating line. The process involves the application of layers of protective material to each side of the TFS substrate. The equipment must be precise enough to control the temperature of the TFS and overall thickness of the finished laminated product within close tolerances.

As noted above, Van Can purchases the majority of its tin mill products from domestic sources. Van Can has had discussions concerning laminated TFS with Weirton Steel, which represented that they could supply this material. However, although Weirton promised to provide material for Van Can tests, we never received any of this material from them. Accordingly, Weirton has not shown that they can manufacture laminated TFS at even test level quantities, let alone at commercial quantities. By contrast, Van Can has had very good test results with laminated TFS from a Japan steel company. Further, Van Can does not believe that any domestic steel company can produce this material.

Given that laminated TFS is not available from domestic mills, Van Can requests that the Commission exclude these products from the scope of its Section 201 investigation, or any remedy resulting from this investigation.

Please call me at (858) 481-3638 if you have any questions concerning this submission.

Sincerely,



Sharon Oleson
Director, Planning/Material Control